

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE REGULAR MEETING
October 2, 2014**

CALL TO ORDER

Mayor Evans called the meeting to order at approximately 5:30 p.m. in the Town Hall Council Chambers, 303 North Beeline Highway, Payson, Arizona.

INVOCATION

Father Lowell Andrews, Catholic Church of the Holy Nativity.

PLEDGE OF ALLEGIANCE

PRESENT: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, and Council Member John Wilson.

STAFF PRESENT: Debra Galbraith - Town Manager, LaRon Garrett - Assistant Town Manager, Tim Wright - Town Attorney, Silvia Smith - Town Clerk, Emily Linkey - Library Director, Tanner Henry - Water Division Manager, and David Staub - Fire Chief.

OTHERS PRESENT: Tracie Bailey - Chief Deputy Town Clerk, Tanner Henry - Water Division Manager, Colin Walker - Water Superintendent, Bobby Davis - Economic Development Specialist, Lieutenant Sherwood Eldredge, and Doni Wilbanks - Planning Technician.

A. PUBLIC COMMENTS (SPEAKER'S REQUEST FORM SUBMITTED)

1. There were no public comments.

B. CONSENT AGENDA

Items listed on the agenda with an asterisk are considered to be routine in nature and will be enacted by one motion.

Motion: to approve all items listed on the Consent Agenda.

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, and Council Member John Wilson.

OCT 16 2014 E.I.*

C. CURRENT EVENTS PRESENTATION BY THE TOWN MANAGER, MAYOR, AND/OR COUNCIL MEMBER

1. Brief presentation of current events by the Town Manager, Mayor, and/or Council Members. The Arizona Open Meeting Law specifies that the Town Council may not discuss or take action on any matter mentioned during this presentation or on the attached materials unless the specific matter is properly noticed for legal action.

Emilii Linkey, Library Director, highlighted library programs that were coming up.

Council Member Carpenter reminded everyone the First Annual Fire Wise Day was coming up at Rumsey Park on October 11, 2014 starting at 8:00 a.m.

2. Documents, materials and information for Council review. (The Council will not discuss or take action on the attached; they are provided for information only)

There were no documents for Council review.

D. CEREMONIAL; ANNOUNCEMENTS; PRESENTATIONS; INTRODUCTIONS

1. Comments, Commendations, and Presentations by Mayor, Council Members, and/or Town Staff.
2. **Proclamation.** Mayor Evans read into the record a proclamation declaring October 3 through October 10, 2014 as a week of 24X7 Prayer. David Reisdorf was present to accept the proclamation.

David Reisdorf had spearheaded this movement and would commence with the prayers tomorrow. Mr. Reisdorf appreciated the Mayor and Council.

3. **Proclamation.** Council Member Wilson Read into the record a proclamation declaring October, 2014 as Domestic Violence Awareness Month. Edna Welsheimer, Time Out Executive Director, was present to accept the proclamation.

Edna Welsheimer thanked the Mayor and Council. Ms. Welsheimer was very grateful and noted domestic violence was an epidemic. Domestic violence was forty percent lower this year in Payson and Time Out was working with court cases and fighting it full force.

E. MINUTES

1. *Council Meeting Minutes:

09.09.14Special Meeting Minutes Pages 1 - 2

09.18.14Regular Meeting Minutes Pages 1 - 9

***CONSENT* APPROVED**

BOARDS/COMMISSIONS MEETING MINUTES (Note: Minutes of various boards/commissions/committees are for Council information only and may or may not have been approved by the respective board/commission.)

2. *Design Review Board Minutes:

08.12.14Regular Meeting Minutes Pages 212 - 214

***CONSENT* INFORMATION ONLY**

3. *Airport Commission Minutes:

06.16.14Regular Meeting Minutes Pages 1 - 4

***CONSENT* INFORMATION ONLY**

F. HEARINGS AND APPEALS

1. There were no items in this section.

G. RESOLUTIONS AND ORDINANCES

1. ***Resolution No. 2800.** Council approved, on the Consent Agenda, Resolution No. 2800 captioned as follows: A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF PAYSON ARIZONA, APPROVING REVISED HOUSING REHABILITATION GUIDELINES.

***CONSENT* APPROVED**

2. ***Resolution No. 2801.** Council approved, on the Consent Agenda, Resolution No. 2801 captioned as follows: A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT BETWEEN GILA COUNTY AND THE TOWN OF PAYSON REGULATING THE CONSTRUCTION OF PUBLIC PROPERTY IMPROVEMENTS IN EACH OTHER'S RESPECTIVE JURISDICTIONS.

***CONSENT* APPROVED**

3. ***Resolution No. 2802.** Council approved, on the Consent Agenda, Resolution No. 2802 captioned as follows: A RESOLUTION OF THE MAYOR AND TOWN COUNCIL OF PAYSON, ARIZONA, APPROVING THE INTERGOVERNMENTAL AGREEMENT BETWEEN PAYSON AND VARIOUS GILA COUNTY FIRE DISTRICTS PROVIDING FOR AUTOMATIC EMERGENCY SERVICES AID AND

AUTHORIZING THE MAYOR TO EXECUTE SUCH AGREEMENT.
***CONSENT* APPROVED**

H. UNFINISHED BUSINESS

1. There were no items in this section.

I. NEW BUSINESS

1. **Council Decision Request** filed by LaRon Garrett, Assistant Town Manager, regarding modifications to the Town of Payson Procurement Policy relating to the rejection of all bids.

LaRon Garrett, Assistant Town Manager, explained this would modify the policy to allow bids to be rejected without going back to the Council if the bids did not meet the specs.

Motion: to Approve the modifications of Sections 1.2.15 and 1.10.1 of the Town of Payson Procurement Policy No. FIN 102 to allow soliciting departments to reject any and all bids if they meet the criteria of Section 1.10.1.

Moved by Council Member John Wilson, seconded by Council Member Ed Blair.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, and Council Member John Wilson.

2. **Council Decision Request** filed by LaRon Garrett, Assistant Town Manager, regarding waiving the airport fuel flowage fee for approximately 22 working days where there would be limited runway access due to the safety grading project.

LaRon Garrett, Assistant Town Manager, explained last month a contract was approved for grading work along the north side of the runway to meet the FAA Runway Safety Action Team (RSAT) requirements. The grading was immediately adjacent to the runway and the runway would have to be closed while the contractor was working. MPE East was planning to reduce their fuel prices by 40 cents per gallon during the construction and had asked the Town to waive the fuel flowage fee. Mayor Evans asked if the cost would be around \$200. Mr. Garrett replied yes. Mayor Evans asked if this would be the lowest fuel price around. Mr. Garrett replied yes. Council Member Connell asked if the construction days were consecutive days. Mr. Garrett responded construction was Monday through Friday from 7:00 a.m. to 6:00 p.m. Council Member Connell asked when construction would begin. Mr. Garrett replied construction had started last week.

Motion: to Approve waiving the airport fuel flowage fee as requested by MPG East during the runway closures for the RSAT Grading Project. Moved by Council Member Su Connell, seconded by Council Member Richard Croy.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, and Council Member John Wilson.

3. **Council Decision Request** filed by the Legal Department regarding the Notice of Intention to Increase Water Rates pursuant to A.R.S. 9-511.01. Dan Jackson from Economists.com presented information that was the basis of the proposed increases.

Tim Wright, Town Attorney, explained the process to raise water rates. The first step was the report, the second step was the Notice of Intention to Increase Water Rates and to direct the Town Clerk to publish the notice and schedule a Public Hearing. The third step would be a public hearing and formal action. If adopted staff was required to wait thirty days before it went into effect. The new rates would be on customer bills in February 2015. Mayor Evans noted the notice of intention would be published with the maximum rate, but the Council could do anything up to the maximum rate. Mr. Wright replied that was correct.

Council Member Connell asked if the Council could raise rates for 2014, 2015 and 2016 and not all the way to 2018. Mr. Wright replied yes. Council Member Carpenter asked if there would be a mathematical justification for this. Mayor Evans responded yes, Council was not adopting rates tonight this was just the report. Council Member Carpenter noted then Council could keep the rates the same or change them.

Colin Walker, Water Superintendent, introduced Dan Jackson, economists.com. Mr. Jackson has been working with Payson for the past ten years. Mr. Jackson gave a presentation on the 2014 Water Rate Study and Long Term Financial Plan. Mr. Jackson explained costs and insurance were going up and systems were getting old and needed to be maintained.

Mayor Evans appreciated the process and asked if the higher price was directly related to the construction and if the Town came up with other ways to pay for it what impact would it have on the chart and could it be adjusted. Mr. Jackson responded the Council could go back and adjust the rate plan anytime. Grant money was hard to come by now, but if the Town could get a grant the Council could go back and change the rate. It was better to secure the grant money first. Council Member Carpenter noted this was a worst case scenario if the Town did not get a grant. Mr. Jackson replied yes, plan for the worst and hope for the best. Mayor Evans noted a sale of the water could be a direct payment to the debt or if an enterprise came in and paid impact

fees. Mr. Jackson replied yes, if a large water user came in that would benefit everyone in the community because they would use more water. More usage or customers meant greater benefit.

Debra Galbraith, Town Manager, noted staff had broken it into the three \$11,000,000 sums so staff could adjust the amounts later if needed. Council Member Carpenter asked if this included the impact the agreement with Mesa De had and the agreement with the Tonto Apache Tribe. Mr. Walker responded the Water Department was working towards letting other communities benefit by the pipeline and water treatment plant and buy into the project. Council Member Carpenter asked if that would reduce the debt. Mr. Walker replied yes. Council Member Blair noted the university would need a lot of water and asked if it would have a big impact up front and would that help pay down the principal or not borrow as much money. Mr. Walker replied the Town would still have to borrow the money. The college would have a five to ten year payment plan, but that had to be approved by the Council.

Council Member Croy asked if this included future impact fees or customers. Mr. Jackson replied some impact fees were factored in. Council Member Croy asked what the number was based on. Mr. Jackson responded on the last year or two. Mayor Evans noted it was 1.9% of growth. Mr. Jackson replied that was right. Vice-Mayor Hughes noted the ability to pay the debt service had to be based on the rate fees. Mr. Jackson replied that was correct. Council Member Connell asked for a copy of the presentation. Mr. Wright noted the report would be filed with the clerk tomorrow. Mayor Evans thanked Mr. Jackson.

Motion: to adopt the Notice of Intention to Increase Water Rates and direct the Town Clerk to (1) publish the Notice of Intention in the October 10, 2014 edition of the Payson Roundup; (2) schedule a Public Hearing on the Notice of Intention on November 6, 2014; and (3) file a copy of the report supporting the Notice of Intention in her office and make such report available to the public.

Moved by Council Member John Wilson, seconded by Vice-Mayor Michael Hughes.

Council Member Carpenter noted this would be back on the agenda on November 6, 2014. Mr. Wright responded that was correct. Mayor Evans noted he was the Chairman of the Northern Arizona Municipal Water Users Association (NAMWUA) and Northern Arizona cities were facing tremendous challenges. Mayor Evans was grateful that the Town's Water Department had a running start on the C. C. Cragin project. Council Member Blair asked if the Town had already spent 15 -16 million dollars on the project. Mayor Evans believed it was more like 20 million dollars. Mayor Evans noted the Town had to beneficially use the water, just buying the water would cost 90 million dollars. Vice-Mayor Hughes noted it could turn into a 150 million dollar project. Mayor Evans noted some cities have no plan where to get the water. Council Member Blair noted for the record the

Council was adopting the Notice of Intention to Increase Water Rates and directing the Town Clerk to (1) publish the Notice of Intention in the October 10, 2014 edition of the Payson Roundup; (2) schedule a Public Hearing on the Notice of Intention on November 6, 2014; and (3) file a copy of the report supporting the Notice of Intention in her office and make such report available to the public. Council Member Carpenter noted Prescott had planned a large project in the 70s that was still not close to completion. Mayor Evans called for the vote.

Vote: Motion carried 7 - 0

Yes: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Richard Croy, and Council Member John Wilson.

4. **Council Decision Request** filed by LaRon Garrett, Assistant Town Manager, to waive the building permit fees for the Payson Area Habitat for Humanity for the tenant improvements to relocate the Payson Area Habitat for Humanity Restore to 425 N. Beeline Highway.

LaRon Garrett, Assistant Town Manager, explained the Payson Area Habitat for Humanity was in the process of relocating the Restore to the old Dollar General building at 925 N. Beeline Highway and the building required some internal construction to accommodate this relocated business. The fee was \$991.55.

Cindy Kofile, Executive Director, thanked the Mayor and Council and all staff for supporting Habitat for Humanity. Ms. Kofile noted Habitat for Humanity had built thirteen single family homes and launched a home repair program. The homes were sold at no profit. All money stayed right here in the community. The Restore would be open for business by November 1, 2014. Council Member Blair asked how many gallons of paint had been donated. Ms. Kofile replied 600 gallons. Council Member Carpenter was delighted the Restore would occupy that building. Council Member Carpenter believed this would not set a precedence for waiving fees for non-profit organizations. Tim Wright, Town Attorney, responded it would not. Council Member Connell supported Habitat for Humanity, but could not support this motion because she believed it would start a precedence. Council Member Connell would support waiving fees when houses were built.

Motion: to direct staff to waive the building permit fees for the Payson Area Habitat for Humanity for the tenant improvements to relocate the Payson Area Habitat for Humanity Restore to 425 N. Beeline Highway.
Moved by Council Member Ed Blair, seconded by Council Member Fred Carpenter.

Council Member Croy asked if Council had passed a resolution the Council would not waive fees. Mr. Wright replied staff cannot waive fees, it had to

be waived by the Council. Council Member Croy asked if staff could waive the fees before. Mr. Wright replied yes. Council Member Blair believed it was to waive a fee for the school district who could raise a lot of money, but Habitat for Humanity could not raise a lot of money. Council Member Croy was an advocate of affordable housing and supported the motion. Mayor Evans called for the vote.

Vote: Motion carried 6 - 1

Yes: Mayor Kenny J. Evans, Vice-Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Richard Croy, and Council Member John Wilson.

No: Council Member Su Connell.

J. CLAIMS

1. ***List of checks.** Council approved, on the Consent Agenda, a list of checks paid from September 11, 2014 through September 19, 2014, Check Nos. 027369 through 027533, **except check number 027433**, and authorization to file the checks for audit.

***CONSENT* APPROVED**

2. ***Check No. 027433.** Council approved, on the Consent Agenda, Check No. 027433 and authorization to file the check for audit. (Note: due to a perceived and/or conflict of interest, Council Member Blair was considered to have abstained from voting on this item).

***CONSENT* APPROVED**

K. MISCELLANEOUS

1. ***Council approved, on the Consent Agenda, the acceptance, with regrets, of the resignation of Richard Sanders from the Board of Adjustments with thanks for a job well done.**

***CONSENT* APPROVED**

L. PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Mayor Evans adjourned the meeting at approximately 6:40 p.m.

APPROVED:

Date: _____

Kenny J. Evans, Mayor

ATTEST:

Silvia Smith, Town Clerk

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Payson held on this day the 2 of October, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2014.

Tracie Bailey, Chief Deputy Town Clerk